

HOUSE BILL 10 of the Second Extraordinary Session
By Kernell

AN ACT to amend Tennessee Code Annotated, Title 9, Chapter 3,
relative to tax exemptions.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF TENNESSEE:

SECTION 1. Tennessee Code Annotated, Title 9, Chapter 3, is amended by adding the following language as a new, appropriately designated part:

(a) No later than February 1, 2001, and no later than February 1 each year thereafter, the assessor of property in each county shall make an annual report on real property tax exemptions to the comptroller of the treasury. In accordance with rules promulgated by the comptroller, such report shall:

- (1) List each parcel of real property exempted from property taxation;
- (2) Identify the owner of such parcel;
- (3) Include a general description of the nature and use of such parcel;
- (4) Cite the specific provision of law authorizing or requiring exemption of such parcel;
- (5) Assess the value of such parcel;
- (6) Calculate the amount of revenue denied to the county during the current fiscal year due to such parcel's tax exempt status; and
- (7) Calculate the cumulative amount of revenue denied to the county during the current fiscal year due to all tax exempt parcels.

(b) No later than February 1, 2001, and no later than February 1 each year thereafter, in collaboration with the county assessor of property the chief administrative officer of each municipality shall make an annual report on real property tax exemptions to the comptroller of the treasury. In accordance with rules promulgated by the comptroller, such report shall:

- (1) List each parcel of real property exempted from property taxation;
- (2) Identify the owner of such parcel;
- (3) Include a general description of the nature and use of such parcel;
- (4) Cite the specific provision of law authorizing or requiring exemption of such parcel;
- (5) Assess the value of such parcel;
- (6) Calculate the amount of revenue denied to the municipality during the current fiscal year due to such parcel's tax exempt status; and
- (7) Calculate the cumulative amount of revenue denied to the municipality during the current fiscal year due to all tax exempt parcels.

(c) Notwithstanding the provisions of any law to the contrary, any county which fails to comply with the requirements of subsection (a) or any municipality which fails to comply with the requirements of subsection (b) shall suffer a fifteen percent (15%) reduction in the amount of its state-shared revenues it would otherwise receive during the next succeeding fiscal year. Prior to commencement of such fiscal year, the comptroller shall certify such noncompliance to the commissioner of finance and administration.

(d) No later than April 1, 2001, and no later than April 1 each year thereafter, the comptroller shall prepare an annual report summarizing the impact of the various real property tax exemptions upon the tax base and tax rates of local government. Such report shall also estimate the indirect costs of such exemptions upon state government

in terms of state funding necessitated to supplement programs, responsibilities and activities of local government. Such report shall identify and evaluate the various constitutionally permissible alternatives by which the local government tax base could be substantially broadened and tax rates could be significantly reduced. Such report shall be submitted to the speaker of the senate, the speaker of the house of representatives, and the finance, ways and means committees of the senate and the house of representatives.

SECTION 2. This act shall take effect upon becoming a law, the public welfare requiring it.